

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY  
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT  
POLICY

Voluntary - Public

**Date:** 12/16/2009

**GAIN Report Number:** VE9098

## Venezuela

**Post:** Caracas

### **News on domestic corn and rice harvests**

**Report Categories:**

Grain and Feed

**Approved By:**

Randall Hager

**Prepared By:**

Clara Nunez

**Report Highlights:**

Domestic corn and rice harvests have been affected by a severe drought. Domestic production will not cover demand and more imports of corn and rice are expected.

**General Information:**

Per industry contacts and media reports, post expects this year's corn and rice harvests to fall due to the severe summer drought and recent government land expropriations. A report from the Venezuelan Producers Federation recently noted that the domestic supply of food and feed components cannot meet processors' demand for inputs to produce basic finished products. The report also says that the gap between production and consumption is becoming larger and the dependence on imports to supply the domestic market is a disincentive for domestic production.

For corn, a fall of about 20 percent in domestic production year-to-year to 1.5 mmt is estimated, with yields at about 3.5 metric tons per hectare. Of that, some 500,000 metric tons are yellow corn. For the first time in 20 years the Government imported white corn, some 100,000 tons, from Mexico.

Larger imports of yellow corn are expected to occur to meet animal feed manufacturers' needs. Estimates are that the government will issue import licenses for about 1,200,000 tons for yellow corn for 2010. However feed manufacturers think that they will need about 400,000 tons more.

Even though the climate has hurt the domestic agricultural sector, feed manufacturers remain optimistic for the next year. They have pointed out that animal feed manufacturing is tied to the growing poultry and pork domestic sectors. Poultry meat consumption is high as it is relatively a more affordable source of protein. Poultry imports from Brazil have been decreasing in the last quarter.

Producers also estimate rice production to fall about 100,000 tons year to year. As per press information the Government has plans for importing about 400,000 tons of rice for next year. Due to weather factors there was a reduction of about seven percent (from 160,000 hectares to 150,000 hectares) in area harvested for the summer rice harvest. The drought not only affected planting but yields, too, which have dropped from 5.0 metric tons per hectare to approximately to 3.4 metric tons per hectare.

The fall in production and unofficial trade have also affected the internal supply of rice. During 2009 about 200,000 tons of paddy rice has been imported to cover the domestic demand. Early this year some rice processing mills were accused of hoarding the product and several mills were intervened by the Government for ninety days.

There is no a precise official data for Venezuelan rice imports finalized during 2009. However according to some sources the Government of Venezuela has imported approximately 150,000 tons of rice from Ecuador, Guyana and Argentina, in addition to 45,000 tons brought from the United States.